

Message Text

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12

ACTION XMB-04

INFO OCT-01 EA-06 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 INT-05 /056 W

----- 101394

R 290543Z MAY 75

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 0314

C O N F I D E N T I A L SEOUL 3788

FOR EXIM

E.O. 11652: N/A

TAGS: BEXP, EFIN, KS

SUBJECT: EXPANSION OF POHANG IRON AND STEEL CO.

1. OFFICIALS OF POHANG IRON AND STEEL CO. (POSCO) CALLED ON DIRECTOR TO DISCUSS ITS EXPANSION PLANS AND FINANCING.

2. IN CONSORTIUM WITH SECIM VOEST AND SCHLOEMAN SIEMAG, WEAN UNITED OF PITTSBURGH HAS AGREED TO PARTICIPATE IN POSCO'S THIRD-STAGE EXPANSION PLAN WHICH INCLUDES CONSTRUCTION OF HEAVY PLATE ROLLING MILL. THE ENTIRE THIRD STAGE WILL COST BETWEEN \$650 MILLION AND \$1 BILLION; THE PLATE MALL WHICH WEAN UNITED WILL PROVIDE WILL COST IN EXCESS OF \$100 MILLION.

3. ROKG HAS APPROVED POSCO EXPANSION PLANS IN LIEU OF ATTEMPTING TO LAUNCH A SECOND INTEGRATED STEEL PLANT. EPB HAS GIVEN ITS APPROVAL TO PLACE POSCO EXPANSION PLANS HIGH ON PRIORITY LIST OF EXIM-FINANCED PROJECTS.

4. EMBASSY BELIEVES THAT EXIM ASSISTANCE WARRANTS FAVORABLE CONSIDERATION. ACCORDING TO LEE, WHO IS FAMILIAR WITH ALL OFFERS RECEIVED FOR ROLLING MILL, THE EXTENT OF EXIM DIRECT LENDING AND GUARANTEES WILL BE THE DETERMING FACTOR IN CONFIDENTIAL

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POSCO'S CHOICE FROM ALL COMPETITIVE OFFERS WHICH INCLUDE THOSE FROM JAPAN, THE UK, AND FRANCE.

5. LEE SANG SOO, DIRECTOR, POSCO WILL TRAVEL TO U.S. ON OR

ABOUT JUNE 15 TO FURTHER DISCUSS TECHNICAL DETAILS AND WILL
CALL ON EXIM IN COMPANY WITH WEAN UNITED OFFICIAL.
SNEIDER

CONFIDENTIAL

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 26 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSORTIUMS, STEEL PLANTS
Control Number: n/a
Copy: SINGLE
Draft Date: 29 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
Errors: n/a
Film Number: D750187-0507
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Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1975/newtext/t197505104/baaaauka.tel
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Office: ACTION XMB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
Reference: n/a
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Review Content Flags:
Review Date: 16 JUL 2003
Review Event:
Review Exemptions: n/a
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Margaret P. Grafeld
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05 JUL 2006

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